



EASTERN SUGAR & INDUSTRIES LIMITED

ANNUAL REPORT 2018-19

CHAIRMAN

Bimal Kumar Nopany

DIRECTORS

S. J. Goswami - Whole Time Director

R. C. Jha

C. K. Garodia

R. Vaswani

CHIEF FINANCIAL OFFICER

Ajay Kumar Kabra

COMPANY SECRETARY

Priyanka Mundhara

REGISTERED OFFICE :

Hanuman Sugar Mills

P.O. Motihari

Dist. East Champaran

Bihar - 845 401

REGISTRAR & SHARE TRANSFER AGENT

M/s Maheshwari Datamatics Pvt. Ltd.

23 R.N. Mukherjee Road, 5th Floor, Kolkata 700 001

Phone : (033) 2248 2248 / 2243 5029

Fax : (033) 2248 4787

STATUTORY AUDITORS

M/s. Saraf Manoj & Co.

Chartered Accountants

Tobacco House

1, Old Court House Corner

Suite No. 519, 5th Floor

Kolkata 700 001

**NOTICE**

Notice is hereby given that the Annual General Meeting of the Members of **EASTERN SUGAR & INDUSTRIES LIMITED** will be held on **WEDNESDAY, THE 18th SEPTEMBER, 2019 AT 12.00 P.M.** at the Registered Office of the Company at **HANUMAN SUGAR MILLS, P.O. MOTIHARI, DIST. EAST CHAMPARAN, BIHAR-845401** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2019 and the reports of the Board of Directors (the Board) and the Auditors thereon.
2. To appoint Director in place of Mr. B. K. Nopany, who retire by rotation and being eligible has offered himself for re-appointment.
3. To ratify the appointment of Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following resolution:

“RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, **M/S. SARAF MANOJ & CO, CHARTERED ACCOUNTANTS**, were appointed as Auditors of the Company, for a period of five (5) years until the conclusion of fifth consecutive Annual General Meeting, which is to be held in the financial year 31.03.2022 which was subject to ratification at every AGM be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the AGM for financial year ended 31.03.2020, on such remuneration as shall be fixed by the Board of Directors in consultation with the Auditors.

By order of the Board
For **Eastern Sugar & Industries Limited**
Shirish Goswami
Wholetime Director

Place : Kolkata
Dated : 30th July 2019

**NOTES:**

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
5. The Register of Members and Share Transfer Books of the company will remain closed from Thursday, September 12, 2019 to Wednesday, September 18, 2019 (both days inclusive).
6. Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/Registrar and Transfer Agent.
7. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.



9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Transfer Agent, for consolidation into a single folio.
11. Non-Resident Indian Members are requested to inform the Registrar, immediately change in their residential status on return to India for permanent settlement.
12. The Members attending the General Meeting are requested to bring enclosed attendance slip, duly filled in.
13. Members, who hold share in de-materialised form, are requested to bring their client ID and DP-ID number for the purpose of identification and attendance at the meeting.
14. Details under Regulation 27 (2) -of the SEBI Listing Regulations 2015 (LODR), with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
15. Electronic copy of the Annual Report for the year 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2018-19 is being sent in the permitted mode.
16. Electronic copy of this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies thereof is being sent in the permitted mode.
17. Members may also note that this Notice and the Annual Report for the year 2018-19 will also be available on the Company's website www.easternsugar.in for their download.
18. Location of the venue of AGM is Registered Office of the Company, near Bariarpur village. more details of venue is given on the website at <http://www.easternsugar.in/public-announcements.html>

**19. Voting through Electronic means:**

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences at 9:00 A.M. on Sunday, 15th September, 2019 and ends at 5:00 P.M. on Tuesday, 17th September, 2019. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, September 11, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".

(ii) Launch internet browser by typing the following URL:

<https://www.evoting.nsdl.com/>

(iii) Click on Shareholder - Login

(iv) Put your user ID and password. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of Eastern Sugar & Industries Limited

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, September 11, 2019.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, September 11, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. B. K Sethia, Chartered Accountant (Membership No.063033) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hanumansugar.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange at which Company's Shares are listed.



Details of Directors seeking appointment/re-appointment at the Annual General Meeting

Particulars	Mr. B. K. Nopany
Date of Birth	26/04/1943
Date of Appointment	30/06/1995
Qualifications	B.Com
Expertise in specific functional areas	Mr. B. K. Nopany has more than 50 years experience in Business, spreading over Sugar, Real Estate Development, Investment etc. He is Chairman of the board of a Leading Academic Institution in Kolkata and is on the Board of Governors of another leading institution (public school) of Ranchi.
Directorships held in other companies (excluding foreign companies)	1. Indo Austro Corporation Pvt. Ltd. 2. Shruti Spinniners Ltd. 3. Shree Hanuman Sugar & Industries Ltd. 4. Super Scan & System Pvt. Ltd 5. Nopany & Sons Pvt. Ltd. 6.NIPL ASHA Construction and Renovation LLP
Memberships Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	1.Shree Hanuman Sugar & Industries Ltd
Number of shares held in the Company	402865

Registered Office:
Hanuman Sugar Mills
P.O. Motihari, Dist. East Champaran
Bihar 845 401
E-mail: esil@nopany.in
CIN: L15421BR1964PLC006630
Date: 30th July 2019

By Order of the Board
For EASTERN SUGAR & INDUSTRIES LIMITED
Shirish Goswami
Wholetime Director



DIRECTORS' REPORT

TO
THE MEMBERS

Your Directors have pleasure in presenting the Annual Report and the Audited Accounts of the Company for the financial year ended 31st March 2019

FINANCIAL RESULTS	(Rs. in lacs) 2018-19	(Rs. in lacs) 2017-18
Sales & Other Income	----	----
Profit/(Loss) before Interest, Depreciation and Tax	(124.48)	(19.60)
Less: Depreciation	----	----
Profit / (Loss) before tax	(124.48)	(19.60)
Less, Provision for tax	----	----
Profit / (Loss) after tax	(124.48)	(19.60)
Add: Balance brought forward from previous year	876.33	895.93
Profit available for appropriation	751.85	876.33
	=====	=====
Balance carried to Balance Sheet	751.85	876.33
	=====	=====

OVERVIEW:

No Income, during the year under review, Profit/(Loss) after Tax amounting to Rs.(124.48) lacs as against (19.60) lacs in the previous financial year.

Presently the company is mainly engaged in trading activities apart from earning income from Block Usage Charges from its fixed assets useful in sugar mill. The Company is in the process of exploring new business activities in the coming years.

PRESENT CONSTRUCTION ACTIVITIES AND FUTURE PROGRAMMES:

The Company has not undertaken any major construction project. Presently, it has very small construction activities which mainly include purchase and sale of construction rights. However, it has plans to expand its construction activities by undertaking large housing projects comprising economy as well as luxurious residential houses.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have occurred after the close of the Financial year 2018-19 till the date of this Report, which affect the financial position of the Company.

DIVIDEND:

Your Directors do not recommend any dividend for the year in view of net loss.

FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits from the public and that as at the end of the year there were no outstanding deposits under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**RESERVE FUND**

The company has not transferred any amount in General Reserve Account.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with respect to financial statements. The policies and procedures adopted by the Company ensure prevention and detection of frauds and errors, accuracy and completeness of the records and timely preparation of reliable financial statements. No reportable material weakness in the design or operation was observed during the year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year under review -there was no changes in among the directors and KMP of the Company;

- Mr. B. K. Nopany (DIN: 00694221) retire by rotation at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors of the Company, confirming that they meet the criteria of independence, as prescribed under the Companies Act, 2013 and the Listing Regulations.

PERFORMANCE EVALUATION

The Company has framed the criteria for performance evaluation of Independent Directors, the Board, the Board Committees and other individual Directors. Criteria for performance evaluation of the Chairman & Managing Director, Executive Director and Non-Independent Director have also been framed. The criteria for performance evaluation of Directors among others includes factors such as preparation, participation, engagement, personality and conduct, value addition, strategic planning and vision, team spirit and consensus building, leadership quality, understanding and focus on key business issues, independent thinking and judgment, quality of analysis, experience and business wisdom, management qualities, awareness, motivation, integrity, ethics and receptivity. The criteria for evaluating the Board's functioning/effectiveness inter alia includes its structure, strategic review, business performance review, internal controls, process and procedures. On the basis of the criteria framed, a process was followed by the Board for evaluating the performance of individual Directors, its own performance and its Committees. The Nomination and Remuneration Committee also evaluated the performance of every individual Director. The Independent Directors in their separate Meeting also carried out the performance evaluation of the Chairman & Managing Director, Executive Director and other non-independent Director as well as the Board of the Company. The Directors expressed overall satisfaction on the performance and functioning of the Board, its Committees and the Directors.

FAMILIARISATION PROGRAMMES

The details of programmes to familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model/procedures/processes of the Company, etc. through various programmes are put on the website of the Company and can be accessed at the link: www.hansugar.com

NUMBER OF MEETINGS OF BOARD OF DIRECTORS:

During the Financial Year 2018-19, the Company held 5 (Five) Meetings of the Board of Directors. The details of the Meetings and attendance of each of the Directors there at are provided in the Report on Corporate Governance forming part of the Annual Report. The maximum gap between any two consecutive Board Meetings did not exceed 120 days.

**AUDIT COMMITTEE**

The Audit Committee comprised Mr. C. K. Garodia as Chairman and Mr. R. C. Jha and Ms. Ratna Srivastava as its members. The terms of reference of the committee have been provided in the Corporate Governance Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company comprises of three Directors under the chairmanship of Ms. Ratna Srivastava. The other members in the committee being, Mr. B.K. Nopany and Mr. C. K. Garodia. The terms of reference of the committee have been provided in the Corporate Governance Report.

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of three members, viz., Mr. C. K. Garodia as Chairman and Mr. R. C. Jha, Ms. Ratna Srivastava as member.

The Nomination & Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The terms of reference of the committee have been provided in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

REMUNERATION POLICY

The Board has, on the recommendation of the nomination & remuneration Committee framed a policy for selection and appointment of Directors, senior management and their remuneration.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is a part of the Annual Report.

SUBSIDIARIES, JOINT VENTURE COMPANIES

There are no companies which have become or ceased to be its Subsidiaries, Joint Ventures or companies during the year.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No 10 & 11 to the Financial Statement

CONTRACT AND ARRANGEMENT WITH RELATED PARTIES:

All contracts or arrangements with related parties entered into or modified during the financial year were in the ordinary course of business. All such contracts or arrangements have been approved by the Audit Committee. No material contracts or arrangements with related parties were entered into during the year under review. Accordingly, no transactions are being reported in Form No. AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies

VIGIL MECHANISM

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and the Listing Regulations, 2015, the Company has in place a Whistle Blower Policy for its Directors and Employees to report concerns about unethical behavior, actual or suspected



fraud or violation of applicable laws and regulations and the Company's Codes of Conduct. The concerns may be reported to the Audit Committee through the Nodal Officer and, in exceptional cases, may also be reported to the Chairman of the Audit Committee. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. During the year under review, no employee was denied access to the Audit Committee.

The Whistle Blower Policy may be accessed on the Company's website at the link: <http://www./WhiBlo.pdf>

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

The Company adheres to good governance practices. Corporate Governance at the Company extends to all stakeholders and is embodied in every business decision. The Company places prime importance on reliable financial information, integrity, transparency, empowerment and compliance with the law in letter and spirit. Management Discussion and Analysis Report, the Corporate Governance Report and the Certificate from the Auditors of the Company confirming compliance of the conditions of Corporate Governance are annexed hereto and form a part of the Directors' Report.

There is a conscious effort to ensure that the values enshrined in the Codes of Conduct for the Directors and Senior Management Personnel and the Employees respectively, are followed in true spirit across all levels of the Company.

EXTRACT OF ANNUAL RETURN:

An extract of Annual return as on the financial year ended on March 31, 2019 in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is set out as an Annexure to the Directors' Report and form part of this Annual Report.

AUDITORS AND AUDITORS' REPORT

M/S. SARAF MANOJ & CO, CHARTERED ACCOUNTANTS, were appointed as Auditors of the Company, for a period of five (5) years until the conclusion of fifth consecutive Annual General Meeting, which should be held in the year of 2022, was subject to ratification at every AGM. A proposal for ratification of the appointment of the Statutory Auditors for the Financial Year 2019-20 is placed before the Members at the ensuing AGM. The said Auditors have given their eligibility certificate in terms of Section 139 of the Companies Act, 2013.

Observation of the Auditors M/s Saraf Manoj & Co., Chartered Accountants on the financial statement of the company are the following :

AUDITORS REMARKS	OUR COMMENT
Non compliance of sections 194-A, 192 & 192-J, of Income Tax Act, 1961 with respect to TDS on interest other than Interest on Securities , Salary, & Fee for professional & Technical Services respectively. The TDS on above have not been deducted and deposited in time.	The Sugar factory has not been in operation for last 5 consecutive seasons, hence the normal working and availability of data is affected, and the Company has not able to deducted the TDS.
Non compliance of generally accepted accounting principles in accounting of Gratuity, Leave liabilities towards employees, bonus, Professional Taxes, Trade License Fees, Interest and penalty on delayed deposit of TDS & income from interest on securities and other deposits as they are accounted for on cash basis.	Due to non-working in the factory there has been no access to the records of the employees. Initiative has been taken for the updating of the records and thereafter the estimation can be made.



The Company has not provided depreciation on its Fixed Assets for the period covered under this audit. The Company has also not provided depreciation on transition to Schedule – II of The Companies Act, 2013.	The Sugar factory has not been in operation for last 5 consecutive seasons, hence the normal working and availability of data is affected. Due to no access of data, company has been unable to ascertain exact amount of depreciation.
Due to operational difficulties, company has suspended its operation of Cane Crushing since Fy 2004-05 & incurred a net loss of 124.48 lacs during the year ended 31.03.2019 and also in preceding previous year . Therefore as per our view the financial statements for the FY 18-19 should be prepare on Non-Going Concern Basis.	Presently the company is mainly engaged in trading activities apart from earning income from Block Usage Charges from its fixed assets useful in sugar mill. The Company is in the process of exploring new business activities in the coming years

FRAUD REPORTING

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

SECRETARIAL AUDITORS & REPORT

Your Company appointed CS Meena Chowdhary, Practising Company Secretary, (Membership No. - ACS 41084 and Certificate of Practice No. 16829) as the Secretarial Auditor of your Company for F.Y.- 2018-19 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed as Annexure and forms part of the Report.

Observations of the Secretarial Auditor are self explanatory and do not call for any further comments.

BUSINESS RISK MANAGEMENT

The main identified risks at the company are commercial risks, financial risks, operational risks and legal & regulatory risks. Your company has established a comprehensive risk management system to ensure that risk to the company's continued existence as a going concern and to its development are identified and addressed on timely basis. Risk management strategy as approved by the board of directors is implemented by the company management.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGOING

As the manufacturing operation of the Company has been discontinued long ago, and since the company doesn't have any manufacturing facilities and is not engaged in the manufacturing activity, the prescribed information regarding compliance of rules relating to conservation of Energy and Technology absorption pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with Rule – 8 (3) of the Companies (Accounts) Rules, 2014 is not provided.

The Company does not have any Foreign Exchange Earnings and outgo in the year under review.

EMPLOYEES INFORMATION AND RELATED DISCLOSURES

As required under Section 197(12) of the Companies Act, 2013 read with the Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures of remuneration and other details/particulars of the Directors and employees of the Company are provided in the Corporate Governance Report.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

Your Directors confirm that:

- i. In the preparation of the Annual Accounts for the year ended 31st March, 2019, the applicable accounting standards had been followed, along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financials year and the loss of the company for the year under review;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing, and detecting fraud and other irregularities; and
- iv. The Directors have prepared the annual accounts on a going concern basis.
- v. The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. During the year under review, there was no case file pursuant to the Sexual Harassment of Women at workplace (Prevention, Prohibition And Redressal) Act, 2013.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DE-MATERIALISATION OF SHARES:

The Company's equity shares are available for de-materialization on both the depositories, viz., NSDL & CDSL. Shareholders may be aware that SEBI has made trading in your Company's shares mandatory, in de-materialized form. As on 31st March, 2019, 14065600 equity shares representing 48.25% of your Company's Equity Share Capital have been de-materialised

LISTING AT STOCK EXCHANGE:

The Shares of the Company are listed on Bombay Stock Exchange, Mumbai and National Stock Exchange of India Ltd.

However, trading of shares of the Company at the Bombay Stock Exchange, Mumbai and National Stock Exchange of India Ltd. is suspended and efforts are being made for resumption of the same for which the revocation fee together with listing fee upto financial year 2019-20 has already been paid and revocation is awaited.

EMPLOYEE RELATIONS:

During the year under review, the relations between the Management and the workmen were cordial, except witness of recent agitation. The management of the Company is confident to solve the problem soon.

**INVESTOR RELATIONS:**

Your Company always endeavors to keep the time of response to Shareholders' requests/grievance at the minimum. Priority is accorded to address all the issues raised by the Shareholders and provide them a satisfactory reply at the earliest possible time. The Shareholders' Grievance Committee of the Board meets periodically and reviews the status of the redressal of Shareholders' Grievances. The Shares of the Company continue to be traded in Electronic Form and the De-materialization arrangement exists with both the depositories, viz., National Depository Limited and Central Depository Services (India) Limited.

ACKNOWLEDGEMENT:

Your Directors wish to place on record the sincere and dedicated efforts of all the members of the Company's team which has throughout the year remained active. Your Directors also take this opportunity to offer their sincere thanks to Financial Institutions, Banks, other Government Agencies, our valued customers and the investors for their continued support and assistance. The employees of your Company continued to display their unstinted devotion, co-operation. Your Directors take this opportunity to record their appreciation for the same. Your Directors also express their profound thanks to the Shareholders for their faith and continued support to the endeavors of the Company.

For and Behalf of Board of Directors

Shirish Goswami
Wholtime Director

Chandan Kumar Garodia
Director

Date: 30th July 2019

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Your Company has complied with the provisions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015").

A Report on the implementation of Corporate Governance by the Company as per the Listing Regulations, 2015 is given below.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company considers Corporate Governance as an important tool for achieving all round excellence with ultimate objective of enhancing shareholders' value. The Company took initiative in practicing good Corporate Governance procedures, even before they were made mandatory.

It is firmly believed that Corporate Governance begins with Company's continuous review of its internal procedures and practices encompassing all its business areas in the most appropriate manner, which would spell fairness, transparency and accountability.

II. BOARD OF DIRECTORS

The Business of the Company is managed by the Board of Directors. The functions of the Board include formulation of strategic business plans, budgets, setting up goals and evaluation of performance, approving corporate philosophy and mission, monitoring corporate performance against strategic business plans, overseeing operations, recruitment of senior management personnel, review of material investment and fixed assets transactions, ensuring compliance with laws and regulations, keeping shareholders informed regarding plans, strategies and performance of the Company and other important matters.

The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. A director along with a team of professionals manages the day-to-day operations of the Company. The Non-Executive Directors are drawn from amongst persons with experience in business, industry and finance. The Board of Directors has the ideal composition with more than half the Directors being non-executive Directors. Since the Company has a Non-Executive Promoter Chairman, the Board's composition meets the stipulated requirement of at least one-half of the Board comprising independent Directors who have no professional and/or business relationship with the Company.

A. Composition of Directorships

The constitution of the Board as on March 31, 2019:

Non-executive Chairman - Mr. B. K. Nopany, Chairman & Non-executive Director

Promoter Director	Executive Director	Non-Executive Director and Independent Director
Mr. B.K. Nopany	Mr. S.J. Goswami	Mr. C. K. Garodia Mr. R. C. Jha Ms. Ratna Vaswani

B. Pecuniary Relationship

There is no pecuniary relationship or transaction of the non-executive Directors vis-à-vis the Company.

C. Attendance records of Board Meetings

During the year under review, Four (5) Board meetings were held on 24.05.18, 30.05.18, 14.08.18, 14.11.18, & 14.02.19. The Board members are given appropriate documents and information in advance of each Board meeting.

The attendance record of all the Directors on the Board was as under:-

Director	No. of Board meetings attended	Attendance at Last AGM
Mr. B. K. Nopany	5	Yes
Mr. S. J. Goswami	5	Yes
Mr. R. C. Jha	4	No
Mr. C. K. Garodia	5	Yes
Ms. Ratna Vaswani	4	No

D. Directors of the Company having directorship in other Companies, Membership/Chairmanship in Committees (as prescribed under Corporate Governance) across all Companies in which there are directors

Name of Director	Category of Directorship	No. of other Directorships held in Other Public Companies	No. of membership in other Companies Committees	
			Member	Chairman
Mr. B. K. Nopany	Promoter & Non-executive Chairman	2	2	Nil

Mr. R. C. Jha	Independent & Non-executive	Nil	Nil	Nil
Mr. S. J. Goswami	Executive	1	Nil	Nil
Mr. C. K. Garodia	Independent & Non-executive	1	Nil	Nil
Ms. Ratna Vaswani	Independent & Non-executive	Nil	Nil	Nil

1 This excludes Directorship held in Indian Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013.

2 Committee refers to Audit Committee and Stakeholders Relationship Committee.

Notes

- None of the other Directors is related to any other Director on the Board.
- None of the Directors has any business relationship with the Company.
- The Company has a woman Director on its Board of Directors.
- None of the Directors received any loans and advances from the Company during the year.
- None of the Directors holds Directorships in more than the permissible number of companies under the Companies Act, 2013 or Directorships / Membership / Chairmanship of Board Committees as permissible under Regulations 25 and 26 of the Listing Regulations, 2015.
- All the Directors have Certified that they are not disqualified for appointment as a Director in any company.
- Additional information pursuant to the Listing Regulations, 2015 in respect of Director seeking appointment/re-appointment is given in the AGM Notice.

E. Responsibilities

The Board's prime concentration is on strategy, policy and control, delegation of power and specifying approvals that remain in the Board's domain besides review of corporate performance and reporting to shareholders. The Board and Management's roles are clearly demarcated.

The Management is required to:

- Provide necessary inputs to assist the Board in its decision making process in respect of the Company's strategies, policies, performance targets and code of conduct;
- Manage day-to-day affairs of the Company to achieve targets and goals set by the Board in the best possible manner;
- Implement all policies and the code of conduct as approved by the Board;
- provide timely, accurate, substantive and material information, including on all financial matters and any exceptions, to the Board and/or its Committees;
- Ensure strict compliance with all applicable laws and regulations; and
- Implement sound and effective internal control systems.

The management and the conduct of the affairs of the Company lie with the Managing Director who heads the management team.

F. Role of Independent Directors

The Independent Directors play an important role in deliberations and decision-making at the Board Meetings and bring to the Company wide experiences in their respective fields. They also contribute in significant measure to Board Committees. Their independent role vis-à-vis the Company means that they have a special contribution to make in situations where they add a broader perspective by ensuring that the interests of all stakeholders are kept in acceptable balance and in providing an objective view in instances where a (potential) conflict of interests may arise between stakeholders.

G. Meetings of Independent Directors

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or Management Personnel. During the year under review, one Meeting of Independent Directors was held on 20th February 2019, wherein the Independent Directors carried out the performance evaluation of the Chairman & Managing Director, Executive Director and other non-independent Director as well as the Board of the Company. The Meeting also assessed the quality, quantity and timeliness of the flow of information by the Management of the Company to the Board of Directors.

H. Familiarisation Programmes for Board Members

The Board Members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committees, on business and performance updates of the Company. Relevant statutory changes encompassing important laws are regularly made available to the Directors. Efforts are also made to familiarise the Directors about the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model/procedures/processes of the Company, etc. through various programmes including plant visits. The details of the familiarization programmes for Independent Directors are put on the website of the Company and can be accessed at the link: www.easternsugar.in

I. Recording Minutes of Proceedings at Board and/or Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee Meeting. Draft Minutes are circulated to all the members of the Board for their comments. The Minutes of proceedings of a Meeting are entered in the Minutes Book within 30 days from the conclusion of the Meeting.